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May 26, 2021

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Dear Mr. Johnson:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities' (Avista or "the Company"), filing of its proposed revisions to the following electric tariff sheets, WN U-28:

Sixth Revision Sheet 91A[1] Canceling **Fifth Revision Sheet 91A**

WAC 480-109-130 provides that "Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances…no later than June 1st of each year with a requested effective date at least sixty days after the filing." The Company's energy efficiency tariff rider mechanism is designed to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections. As such, the primary purpose of this filing is to comply with the above requirement of WAC 480-109-130, as well as to incorporate

As of April 30, 2021, the Schedule 91 (electric) tariff rider balance was approximately $1.2 million overfunded. According to actual tariff rider balances, and a forecast of expected revenues, and expenditures through July 2023,[2] the current rates being collected through Avista's tariff rider are

[1] Tariff schedules 13 and 23 were added to Sixth Revision Sheet 91A which are new schedules that were issued March 18, 2021 and became effective April 26, 2021. Both schedules are subject to Schedule 91. There are currently no customers taking service under rate schedules 13 or 23.
[2] See Attached workpapers.

sufficient to fund both the ongoing Energy Efficiency operations, as well as to recover previous expenditures. Therefore, the Company is proposing to *decrease* rates collected in Schedule 91 by approximately $3.5 million, to bring the forecasted tariff balance close to $0 by July 31, 2023. The Company will continue to track the progress of this balance, and should the proposed decrease in the tariff rider rate either fail to clear an underfunded balance, or lead to an overfunded balance at the end of the next twelve month period, Avista will request a revision to clear that balance in a subsequent filing.

Avista's electric Schedule 91 funds Energy Efficiency programs described in the Company's Schedule 90, "Electric Energy Efficiency Programs." All Schedule 91 Energy Efficiency revenue is applied only to the provision of electric efficiency service, including programs offered by the Company directly, through designated contractors, or as part of regional electric programs, as well as 3rd party evaluation, measurement and verification ("EM&V") contracts and potential assessment studies. The Company's programs are based on providing a financial incentive, or "rebate," for cost-effective efficiency measures.

Avista's residential programs currently consist of prescriptive offerings such as upgrades to high efficiency equipment and various weatherization measures through a multi-family direct install program. Additionally, the Company's outreach programs provide educational assistance through various community events. For non-residential customers, Avista offers both prescriptive (or "standard offer") programs and site-specific (or customized) services. The site-specific program provides incentives on any commercial and industrial energy efficiency measure that is estimated to have a positive cost-effectiveness benefit to cost ratio. This program is implemented through site analyses, customized diagnoses, and incentives determined for savings generated specific to customers' premise or process. Also available to Avista's Commercial and Industrial customers are programs that include lighting and controls, commercial food service equipment, premium efficiency motors, commercial HVAC variable frequency drives, and vending machine controllers.

In addition to Avista's prescriptive and site-specific programs, the Company helps fund the activities of the Northwest Energy Efficiency Alliance (NEEA). NEEA focuses on using a regional approach to obtain electric efficiency through the transformation of markets for efficiency measures and services. These programs bring resource acquisition opportunities to Avista that would otherwise be either unachievable or more costly in the absence of regional cooperation.

Several metrics are applied to determine the costs and benefits of these programs. The Company has calculated the Total Resource Cost (TRC) test and the Utility Cost Test (UCT) to provide insights into program efficacy.[3] Ratios over 1.0 illustrate that benefits exceed costs. Results for Avista's 2020 program year show a 1.30 overall TRC ratio and a 1.75 overall UCT ratio for its portfolio.

In conclusion, Avista respectfully requests the Commission approve the proposed decrease in rates and charges in Schedule 91 for purposes of maintaining an appropriate level and sufficient funding for its energy efficiency programs. The estimated annual revenue change associated with this filing is a decrease of approximately $3.5 million. The proposed rate decrease will have an average monthly bill impact to residential electric customers (using 914 kWhs) of -$0.62 to their bill, or 0.7%, bringing the average bill from $84.33 down to $83.71.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Wednesday, May 12, 2020, and received no additional comments.

The Company has provided in this filing a copy of its customer notice which will be included as a bill insert in the June – July time frame. Attached are the Company's workpapers supporting this proposal.

Please direct any questions on this matter to Ryan Finesilver, Energy Efficiency Manager at (509) 495-4873.

Sincerely,

/s/Shawn Bonfield

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Enclosures

cc: Avista Energy Efficiency Advisory Group

[3] The Total Resource Cost test measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. The Utility Cost Test measures the net costs of a demand-side management program as a resource option based on the costs incurred by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. The benefits are similar to the TRC benefits.